

OFFICE OF CIVILIAN DEFENSE
WASHINGTON, D. C.

CIVIL AIR PATROL

NATIONAL HEADQUARTERS
WASHINGTON, JULY 14, 1942

Subject: Ground Insurance

To: All Unit Commanders

1. GENERAL

This insurance is provided by a master policy which has been filed at National Headquarters, Civil Air Patrol. The master policy covering crash insurance has been extended to provide ground coverage for certain planes heretofore and hereafter covered for crash insurance. Sample copies of this master policy will be available for distribution in the near future. Insurance may be obtained at this time by the owner of any plane which is to be used in Civil Air Patrol coastal patrol operations which are performed at the request of, and with funds furnished by, the War Department. Particulars in regard to the ground insurance coverage are as follows:

2. COMPULSORY

On and after June 1, 1942 the carrying of this insurance shall be compulsory on all Civil Air Patrol coastal patrol operations which are performed at the request of, and with funds furnished by, the War Department. No plane shall be used in any such operation until the owner of the plane or his agent shall have completely filled out and signed an application for this insurance on a form (being the same form as that on which an application for crash insurance is made), supplies of which will be distributed for this purpose to Civil Air Patrol task forces.

3. HOW TO SECURE THE INSURANCE

Planes now operating at task force bases, for which applications for crash insurance have been executed, are now protected by ground coverage. Hereafter the completion and signing of an application for hull insurance will provide both crash insurance protection as set forth in General Memorandum 24 and ground insurance protection as herein set forth. The procedure as set forth in paragraph 3 of General Memorandum 24 is still to be followed. No further procedure is necessary to put this insurance into effect. Task force commanders, however, should see that these applications are completed and signed immediately upon arrival of a plane at the base.

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4. COST

The premium charge for this insurance will be computed on a per diem basis, there being a standard rate for all aircraft falling within the specified horsepower classes. It should be noted that the premium charge for planes equipped with bomb racks differs from the charge for those planes not so equipped. The applicable premium may be determined from the following schedule:

<u>H.P. Range</u>	<u>Ground Insurance (planes without bomb racks)</u>	<u>Ground Insurance (planes with bomb racks)</u>
50-60	\$.15	\$.225
65-75	.20	.30
80-120	.45	.675
125-165	.55	.825
175-220	.65	.975
225-245	.80	1.20
250-295	1.00	1.50
300-345	1.50	2.25
350-395	1.80	2.70
400-445	2.10	3.15

5. HOW PAYMENT IS MADE

For aircraft ordered to duty at a task force base, the aircraft owner will receive a daily aircraft standby allowance, the amount of which will be exactly sufficient to cover the ground insurance premiums as set forth above. Forms entitled "Aircraft Standby Invoices" will be furnished to each task force base. These forms should be filled out and signed by the aircraft owner and the Base Commander. They shall be submitted to National Headquarters once each calendar month in duplicate. A separate invoice covering each aircraft shall of course be submitted. By special arrangement with the underwriters, the ground insurance coverage has been in effect since June 1, 1942. Details in connection with premium payments, etc., however, have been completed just recently. In order to provide for premium payments due for June 1942, standby invoices should be submitted to National Headquarters in duplicate as soon as possible. This procedure should be followed in connection with ensuing months. Checks in payment of these vouchers payable to the aircraft owners will be transmitted to each base. Since the entire amount of these checks is to cover the cost of the ground insurance premiums, the aircraft owners may choose to endorse these checks to the underwriters rather than cash them and issue a personal check in the same amount. In any event, no checks covering these standby allowances should be delivered to the aircraft owners until proper arrangements have been made for the payment of the ground insurance premium charges.

6. COVERAGE

The policy covers all physical loss or damage to the aircraft, including the engines, propellers, propeller hubs, operating and navigating instruments, radio equipment usually attached thereto and standard tools and

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repair equipment therein, caused by fire, lightning, explosion, self-ignition, tornado, cyclone, windstorm, earthquake, flood, hail, sleet, snow or the collapse of a hangar, shop or similar structure, theft, robbery or pilferage except by any person in the employ of Civil Air Patrol, including damage done by thieves, or caused by a collision between the aircraft and any other aircraft, vessel, vehicle, building or other object while the aircraft is on an established airport or landing place or elsewhere on the ground or water following a forced landing, or caused by an accident to any conveyance in or upon which the aircraft when properly dismantled and prepared for shipment is being transported.

The above coverage shall be in effect under all circumstances except during the period of time commencing with the actual take-off run and continuing thereafter until the aircraft shall have safely completed its landing run (during which time the crash insurance coverage as set forth in General Memorandum 24 is of course in effect.)

It covers any C or NC aircraft owned by private interests and operated under Civil Air Patrol operations orders. Coverage shall automatically attach as soon as the owner or agent of the owner has filed a completed application form with a Base Commander or other Commander of the Civil Air Patrol.

The liability of the insurance companies on any one aircraft shall not exceed the actual cash value thereof at time of loss nor in any event shall it exceed \$30,000.

In the case of a total loss, the insurance companies' liability shall not exceed the amount of the insurance on the aircraft involved less depreciation at pro rata of an annual rate of 20 percent on new aircraft (i.e., not more than three months old at the time the application form was completed and signed) or at pro rata of an annual rate of 15 percent on used aircraft.

In the case of a total loss of an aircraft from one of the ground risks hereinabove specified, there will become due and payable a premium figured at $3\frac{1}{2}$ percent of the maximum insured value of that aircraft less the total amount of ground insurance premium earned under the policy on said aircraft.

The aircraft is covered while in use within the geographical limits of the Continental United States (including Alaska), 100 miles into Mexico or Canada and waters adjacent thereto not beyond 25 miles from land.

The policy does not cover any loss or damage while the aircraft is being used for any unlawful purpose if such use is with the knowledge and consent of the owner or while the aircraft is being operated in violation of the regulations of the C.A.A. unless such violation is due to

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specific orders from a Base Commander or Wing Commander of Civil Air Patrol or is unavoidable in the performance of a Civil Air Patrol assignment.

Nor does the policy cover any loss or damage caused by, or resulting from: (1) the act of any enemy of the United States; (2) the insured aircraft or its occupants being shot at or bombed by any person whatsoever; (3) the participation of the aircraft or its occupants in actual hostilities; or (4) insurrection, strike, riot or civil war.

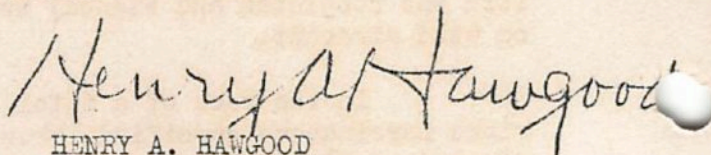
7. IN CASE OF ACCIDENT

As soon as possible after the occurrence of any accident, the owner or the local CAP officer shall telegraph CAP National Headquarters and the insurance underwriters and within 60 days shall render a statement to the underwriters signed and sworn to by the owner stating in detail the time, place, cause, and amount of damage. In the event of any accident, the owner or persons representing him should protect the property from other or further loss or damage and no repairs should be made on the damaged aircraft until report has been made to the insurance underwriters and an adjustor has had an opportunity to examine the extent of the damage.

8. SUMMARY

The statements contained in this Memorandum are merely a summary of the terms and provisions in connection with ground insurance coverage. They are not intended to cover in detail all of the exact terms, provisions, or conditions but simply summarize the more important elements. For the exact details, reference should in all cases be made to the policy itself.

By direction of National Commander JOHNSON:



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